

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE REPUBLIC OF THE CONGO
REGARDING THE REDUCTION OF CERTAIN
DEBTS OWED TO, GUARANTEED BY, OR INSURED BY
THE UNITED STATES GOVERNMENT AND ITS AGENCIES

Acknowledging the September 1999 commitment of the President of the United States to provide 100 percent debt forgiveness of eligible debt to certain Heavily Indebted Poor Countries;

Recognizing that the Executive Boards of the International Monetary Fund and the World Bank's International Development Association determined on March 8, 2006 that the Republic of the Congo had reached the "Decision Point" as defined under the Enhanced Debt Initiative for the Heavily Indebted Poor Countries (HIPC);

And recognizing that the Executive Board of the International Monetary Fund approved on December 8, 2008 a three-year arrangement for the Congo under the Poverty Reduction and Growth Facility;

The Government of the United States of America (the "United States") and the Government of the Republic of the Congo ("the Congo") agree as follows:

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ARTICLE I

Application of the Agreement

In accordance with the recommendations contained in the Agreed Minutes on the Consolidation of the Debt of the Republic of Congo, signed in Paris on December 11, 2008 by representatives of certain nations, including the United States, and by the representative of the Government of the Congo, and in accordance with the applicable domestic laws of the United States and the Congo, the United States and the Congo agree herein to the cancellation of certain Congolese payments arising from debts which are owed to, guaranteed by, or insured by the United States Government and its Agencies.

ARTICLE II

Definitions

1. "Agencies" mean the United States Department of Agriculture ("USDA"), including USDA's Commodity Credit Corporation ("CCC"), and the Export-Import Bank of the United States ("Ex-Im Bank").
2. "Completion Point" means the date on which the Boards of the International Monetary Fund ("IMF") and the World Bank decide that the Republic of the Congo has reached its Completion Point as defined under the Enhanced Debt Initiative for the Heavily Indebted Poor Countries.
3. "Consolidated ODA and non-ODA Arrears" mean one hundred (100) percent of the amounts of unpaid principal and interest, including Late Interest, due as of June 30, 2008, inclusive, under the Contracts specified in paragraph 6 of this Article, less amounts paid by the Congo prior to December 11, 2008.
4. "Consolidated ODA and non-ODA Debt" means one hundred (100) percent of the amounts of principal and interest falling due during the Consolidation Period under the Contracts specified in paragraph 6 of this Article, less amounts paid by the Congo prior to December 11, 2008.
5. "Consolidation Period" means: (a) the period from July 1, 2008 through June 30, 2009, inclusive, if the conditions set forth in Article IV, paragraph 1 of this Agreement are satisfied; (b) the period from July 1, 2008 through June 30, 2010, inclusive, if the conditions set forth in Article IV, paragraphs 1 and 2 of this Agreement are satisfied; and (c) the period from July 1, 2008 through June 30, 2011, inclusive, if the conditions set forth in Article IV, paragraphs 1, 2 and 3 of this Agreement are satisfied.

6. "Contracts" mean those agreements or other financial arrangements which have maturities under:

(a) loans made by the United States and its Agencies, having an original maturity of more than one year, and which were extended to the Government of the Congo or to the Congolese public sector or covered by a guarantee of the Congo or the Congolese public sector, pursuant to an agreement or other financial arrangement concluded before June 20, 1999; and

(b) commercial credits guaranteed or insured by the United States or its Agencies and concessional credits extended under PL-480 agreements, having original maturities of more than one year, which were extended to the Government of the Congo or to the Congolese public sector, or covered by the guarantee of the Government of the Congo or the Congolese public sector, pursuant to an agreement or other financial arrangement concluded before June 20, 1999;

(c) the bilateral debt rescheduling agreements ("Rescheduling Agreements") between the United States and the Congo signed on June 26, 1987; May 6, 1994; November 21, 1994; May 6, 2005; and July 8, 2005.

A table listing the relevant contracts to be included under the reduction is attached hereto as Annex A.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

7. "Late Interest" means interest charges payable on due but unpaid amounts of principal and interest that have accrued from the original contractual due date up to June 30, 2008, inclusive, on amounts of Consolidated ODA and non-ODA Arrears in accordance with the terms of the Contracts, notwithstanding the payment of such principal and interest subsequent to the original due dates,

8. "Minutes" means the Agreed Minutes on the Consolidation of the Debt of the Republic of Congo, signed in Paris by Participating Creditor Countries, including the United States, and by the representative of the Congo on December 11, 2008.

9. "Participating Creditor Countries" means the creditor countries, including the United States, which are signatories to the Minutes.

ARTICLE III

Terms and Conditions

1. The amount equal to 100 percent of the Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears is hereby cancelled.

A table summarizing the amount of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears to be cancelled if the Consolidation Period is July 1, 2008 to June 30, 2009, inclusive, is attached hereto as Annex B1. A table summarizing the amount of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears to be cancelled if the Consolidation Period is July 1, 2008 to June 30, 2010, inclusive, is attached hereto as Annex B2. A table summarizing the amount of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears to be cancelled if the Consolidation Period is July 1, 2008 to June 30, 2011, inclusive, is attached hereto as Annex B3.

2. Adjustments in the amounts of Consolidated ODA and non-ODA Debt and Consolidated ODA and non-ODA Arrears may be made in writing, as necessary and by mutual consent.
3. All terms of the Contracts remain in full force and effect, except as they may be modified by this Agreement.

ARTICLE IV

General Provisions

1. The provisions of this Agreement will apply during the period July 1, 2008 to June 30, 2009, inclusive, provided the Congo continues to have an appropriate arrangement with the International Monetary Fund (IMF).
2. The provisions of this Agreement will apply during the period July 1, 2008 to June 30, 2010, inclusive, provided that: (i) the Chairman of the Paris Club or his designee has informed the Government of the Congo in writing that the Congo has fulfilled the conditions contained in Article IV, paragraph 3(b) of the Minutes; and (ii) the Congo has made on due dates the payments referred to in the Minutes.
3. The provisions of this Agreement will apply during the period July 1, 2008 to June 30, 2011, inclusive, provided that: (i) the Chairman of the Paris Club or his designee has informed the Government of the Congo in writing that the Congo has fulfilled the conditions contained in Article IV, paragraph 3(c) of the Minutes; and (ii) the Congo has made on due dates the payments referred to in the Minutes.

4. The parties agree that the conditions set forth in Article IV, paragraph 2(b) of the Agreement between the United States and the Congo signed on January 31, 2007 (the "2007 Agreement") have not been met, and that the reduction of maturities provided for in Article III of the 2007 Agreement do not apply to principal or interest installments due on or after October 1, 2006 under the original terms of the Contracts specified in Article II, paragraph 6 of this Agreement.
5. The United States and its Agencies reserve the right, in their discretion, to redirect any payment made by the Congo on its obligations under the Contracts or under this Agreement if the United States concludes that such action will more effectively implement the recommendations contained in the Minutes as well as any subsequent actions of the Paris Club in relation to the Congo. In making a decision whether to redirect such payments, the United States may take into account any factors it deems appropriate, including, but not limited to, any actions on the part of the Congo that result in the Congo's failure to satisfy the conditions of Article IV, paragraphs 1, 2 and 3 of this Agreement. As used in this paragraph, "redirect" means: (1) to apply or reapply all or a portion of a payment made by the Congo to either an obligation due or coming due under this Agreement or to another obligation due or coming due of the Congo to the United States or its Agencies; or (2) to return any amount to the Congo.
6. The Congo agrees to grant the United States and its Agencies treatment on terms no less favorable than those which it has accorded, or may accord, to any other creditor country or its agencies for the reduction of debts of comparable maturities.
7. The Congo shall seek to secure from external creditors, including banks and suppliers, reduction and reorganization arrangements on terms comparable to those set forth in the Minutes for credits of comparable maturity, while trying to avoid inequity between different categories of creditors, all as described in the Minutes.
8. With respect to amounts owing to Ex-Im Bank under this Agreement, the Congo (referred to as the "Government" hereto) agrees to the additional terms and conditions set forth in Annex C.
9. The Annexes shall constitute an integral part of this Agreement.
10. This Agreement may be amended or modified by mutual written consent of the United States and the Congo.

ARTICLE V

Subsequent Debt Reduction

1. If the Congo maintains satisfactory financial relations with the Participating Creditor Countries, fully implements all external debt agreements signed with them, maintains a sound adjustment track record, and the Boards of the IMF and the World Bank decide that the Congo has reached its Completion Point as defined under the Enhanced Debt Initiative for the Heavily Indebted Poor Countries, the United States agrees, in principle, to participate in a Paris Club meeting convened for the purpose of considering treatment of the Congo's stock of debt. The United States agrees, in the context of equitable burden sharing among creditors, to take such actions as it deems appropriate to enable the Congo to reach its debt sustainability objectives.
2. If, following the conclusion of the Consolidation Period as defined in this Agreement, but prior to the meeting referred to in Article V, paragraph 1, the Paris Club determines that conditions in the Congo warrant additional interim debt relief and a further extension of the Consolidation Period, the United States agrees, in principle, to cancel 100 percent of the Congo's principal and interest payments falling due during the further extension of the Consolidation Period agreed to by the Paris Club.

ARTICLE VI

Suspension or Termination

The United States may suspend or terminate this Agreement by giving sixty (60) days written notice to the Congo. In particular, the United States may terminate all or part of this Agreement if the Participating Creditor Countries determine that the Congo has not met its obligations under the Minutes, including that of comparable treatment. If the United States terminates all or part of this Agreement, all debts cancelled under this Agreement shall be due and payable immediately according to terms of the original Contracts, following notification to the Congo of termination of the Agreement.

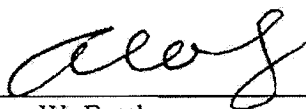
ARTICLE VII

Entry into Force

This Agreement shall enter into force following signature of the Agreement and written notice from the United States to the Congo that all necessary domestic legal requirements for entry into force of the Agreement have been fulfilled.

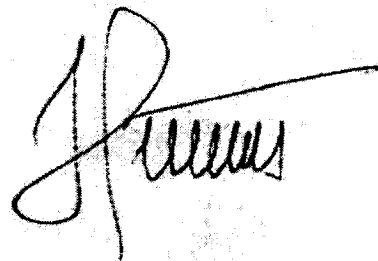
Done at Brazzaville, in the English and French language, both texts being equally authentic,
in duplicate, this 12 day of June, 2009.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:



Alan W. Eastham
Ambassador

FOR THE GOVERNMENT OF THE
REPUBLIC OF THE CONGO:



Pacifique Issoibeka
Minister
Ministry of Economy, Finances
and Budget

Annex A

Contracts Subject to Reduction

USDA (PL-480 Agreements) Loan Numbers:

82CF1
90CF1
91CF1
92CF1
94CF1
95CF1
95CFA
96CF1
96CF2
96CFA
05CFA
05CFB

Export-Import Bank Loan Numbers:

R-208
R-225
R-292
R-292A

Annex B1
Summary of Consolidated Arrears and
Consolidated Debt if the Consolidation Period Covers the Period From
July 1, 2008 through June 30, 2009
(thousands of U.S. dollars)

USDA and CCC	\$2,596
Export Import Bank	\$5,591
Total	\$8,187

Annex B2
Summary of Consolidated Arrears and
Consolidated Debt if the Consolidation Period Covers the Period From
July 1, 2008 through June 30, 2010
(thousands of U.S. dollars)

USDA and CCC	\$4,469
Export Import Bank	\$6,862
Total	\$11,331

Annex B3
Summary of Consolidated Arrears and
Consolidated Debt if the Consolidation Period Covers the Period From
July 1, 2008 through June 30, 2011
(thousands of U.S. dollars)

USDA and CCC	\$6,307
Export Import Bank	\$7,581
Total	\$13,888

Annex C

Additional Terms and Conditions with Respect to
Amounts Owed to Ex-Im Bank

The Government of the Republic of the Congo (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank, pursuant to the attached Agreement between the United States of America and the Government:

A. Representations. The Government represents and warrants that it has taken all actions necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from suit, judgment and/or execution, it will not assert or claim any such right of immunity with respect to any action by Ex-Im Bank to enforce the Government's obligations under this Agreement.

B. Miscellaneous Provisions.

1. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Ex-Im Bank in connection with or arising out of this Agreement, including without limitation costs and legal fees incurred by or charged to Ex-Im Bank in connection with the enforcement of this Agreement.

2. Adjustments. On or about 135 days after the execution of this Agreement, Ex-Im Bank shall inform the Government of the actual amounts to be reduced hereunder. The parties hereto agree to make any necessary adjustments to the amounts being reduced.

3. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Ex-Im Bank; all communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Treasurer-Controller
Telex: 89461 EX-IM BANK WSH
197681 EXIM UT
Facsimile: +1 (202) 565-3890
Reference: Ex-Im Bank Loan R-306

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FM AMEMBASSY BRAZZAVILLE

TO RUEHC/SECSTATE WASHDC PRIORITY 1426

INFO RUEHBZ/AMEMBASSY BRAZZAVILLE 1715

BT

UNCLAS BRAZZAVILLE 000185

DEPT FOR EEB/IFD/OMA DFREUDENWALD

DEPT FOR L/T MICHELLE CANNON

E.O. 12958: N/A

TAGS: EFIN, EAID, ECON, KTIA, CF

SUBJECT: CONGO/BRAZZAVILLE - DEBT AGREEMENT SIGNED

REF: STATE 59898

1. As authorized reftel, on June 12, 2009, Ambassador joined Minister of Economy, Finance and Budget Pacifique Issoibeka to sign the bilateral debt reduction agreement.

2. As instructed, Post has transmitted a copy of the agreement to the Department by email addressed to EEB/IFD/OMA David Freudenwald and will send two original signed agreements (in French and English) by DHL to the attention of Michelle Cannon in L/T.

3. Two original signed agreements were provided to the Minister.

EASTHAM

BT

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